



Chapter I

Background & Overview

***Regional Housing Needs Determination
Association of Bay Area Governments***

A. Overview and Timeline of the RHND Process

The State of California requires the Department of Housing and Community Development (HCD) to identify housing needs for each region as a response to the growing population and household growth in the state. State law (Government Code Section 65584) further mandates that each council of governments (COG) distribute the State identified housing needs allocations to each jurisdiction within the COG's region. This process was last undertaken by ABAG in 1989.

In 1999, after a ten-year lapse, the State Legislature re-instituted the Housing Needs Determination Process. HCD provided regional housing numbers or “goal numbers” that specified the regions’ share of the state’s housing need.

It is ABAG’s responsibility to determine the fair share of regional housing need for each city and county within the San Francisco Bay Area region for the period January 1, 1999, to June 30, 2006. The law states that “[T]he share of a city or county of the regional housing needs includes the share of the housing need of persons at all income levels within the area significantly affected by a general plan of the city or county.”

State Law also requires ABAG to “determine the existing and projected housing need for its region” after considering several statutory requirements, which are described in detail in Chapter II B of this report. State Law further requires that the distribution of the regional housing needs allocations “... seek[s] to reduce the concentration of lower income households in cities and counties which already have disproportionately high concentrations of low income households.”

The details of the methodology are each COG’s responsibility, working in cooperation with HCD. ABAG is required to provide HCD and each jurisdiction within its region “with data describing the assumptions and methodology

used in calculating its fair share of regional housing need.” After ABAG makes its initial determination, HCD has 30 days to ensure that the determination is consistent with statewide housing need and may make necessary revisions. During the early stages of the RHND process, ABAG and HCD worked in a collaborative effort to determine the Bay Area’s share of the statewide housing needs goals. HCD’s initial determination was 310,761 housing units for the 1999-2006 RHND time frame. ABAG compared this initial figure with its bi-annual forecasts of growth in the region, and determined that the goal figure was significantly larger than the expected growth in households for the region. ABAG provided HCD with its estimates of population and households, which ultimately resulted in a reduction of the initial determination by HCD to 230,743 housing units.

State Housing Element Law sets forth a schedule and process for the RHND distribution cycle. The Process begins with the COG’s determination of each jurisdiction’s RHND allocation assignments. A Review period follows, whereby each jurisdiction is given 90 days following ABAG’s initial determination to propose any revisions to its share of regional housing need. At the conclusion of the Review stage, a Revision stage follows. Within 60 days after a city or county proposes a revision, ABAG “shall accept the proposed revision, modify its earlier determination, or indicate, based upon available data and accepted planning methodology, why the proposed revision is inconsistent with the regional housing need.”

Immediately following the Review and Revision stages of the RHND process, ABAG must adopt final RHND allocation assignments. On completion of this cycle, each jurisdiction is required by law to incorporate RHND allocation into an updated version of its Housing Element in the General Plan. Updated housing elements must be completed and submitted to HCD by December 31, 2001. RHND milestone dates are listed on Page 7 of this chapter.

Chapter 1

RHND Process Outreach Efforts

Throughout the two and half years of the RHND process, ABAG has made consistent and sustained efforts to keep the process open and accessible. These efforts include setting up a web site where all correspondence and methodology issues are posted (<http://www.abag.ca.gov/planning/housingneeds/>) and establishing regular channels of communication with all jurisdictions and the state.

In March of 1999, some months prior to starting the RHND Process, ABAG staff requested that jurisdictions identify a staff person as the main RHND contact. The ABAG Executive Board created an 18-member Housing Methodology Committee (HMC), comprised of one elected member and one professional staff person representing each of the Bay Area's nine counties. The HMC worked with ABAG staff to develop a methodology to distribute the Regional Housing Needs Determination allocations to each jurisdiction in the region. In addition, a broader "Peer Review Group," was established to provide input and feedback regarding the RHND methodology. This Peer Review group included elected officials, city & county staff, and members from various stakeholder groups throughout the region. This process allowed representation from every jurisdiction in the region.

Another important part of the outreach effort included a series of sub-regional meetings held around the Bay Area to explain the process and the methodology. Presentations were made to the City Managers, Mayors and Council Members and Planning Directors Associations as well as to individual jurisdictions, as requested.

The feedback received through these outreach efforts resulted in significant modifications to RHND methodology following the first release of RHND housing numbers on December 1, 1999. The modified RHND methodology incorporated a jobs/housing balance ratio adjustment component that focused RHND allocations towards employment centers throughout the region.

As part of the ongoing RHND outreach effort as well as to address the regional housing crisis, ABAG also released the *Blueprint 2001 for Bay Area Housing* document, developed in collaboration with the Bay Area Council, Greenbelt Alliance, Home Builders Association of Northern California, Non-Profit Housing Association of Northern California and the California Affordable Housing Law Project. *Blueprint 2001* provides an overview of the housing element process, state law requirements and community participation strategies. It also provides detailed information on programs, strategies and resources for supporting affordable housing within a framework of sustainable development and smart growth.

RHND Process Timeframe

The RHND process began in March of 1999 and the first release of RHND allocations was on December 1, 1999. During the 90-day review and revision process that followed, the methodology was revisited. The ABAG Executive Board modified the RHND methodology and released revised RHND allocations on June 1, 2000. The modified RHND methodology is described in detail in Chapter II A. The required 90-day review process concluded on August 31, 2000.

Immediately following the 90-day review process, ABAG staff had 60 days to respond to comments and/or proposed revisions made by city and county jurisdictions. The 60-day response and revision period ended on October 30, 2000. Once the ABAG Executive Board adopted final RHND allocations, jurisdictions had one final opportunity to appeal the RHND allocation assignment determined by the Executive Board. On January 25, 2001, an Appeal Committee heard and decided the outcome of all appeals. The appeal resolutions were then forwarded to the ABAG Executive Board. On March 15, 2001, the Executive Board adopted final RHND allocations for the region, concluding the 1999-2006 RHND process. The following table highlights milestone dates of ABAG's RHND process and time line.

RHND Milestone Dates

March 1999
Housing Methodology Committee began development of methodology
October 1999
HCD provides regional housing "goal" numbers
June 2000
ABAG releases preliminary allocations 90-day review and revision period begins
September 2000
60-day ABAG response to jurisdiction comments begins
November 2000
ABAG Executive Board approves final housing need allocations
December 2000
Appeal process initiated
January 2001
Appeal hearings held
March 2001
ABAG Executive Board certifies final housing allocation numbers
December 2001
Housing Element revisions due to HCD

Figure 1. Regional Map

